

9768

38

**FRENCH AND MONTESSORI  
EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

Annual Financial Statements

June 30, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 10 2014

## Contents

<b>Independent Auditor's Report</b>		<b>1 - 2</b>
<hr/>		
<b>Financial Statements</b>		
Statement of Financial Position		3
Statement of Activities		4
Statement of Cash Flows		5
Notes to Financial Statements		6 - 13
<hr/>		
<b>Independent Accountant's Report on Applying Agreed-Upon Procedures</b>		<b>15 - 18</b>
<hr/>		
<b>Schedules Required by Louisiana State Law - (R.S. 24:514 Performance and Statistical Data)</b>		<b>19 - 20</b>
	<b>Schedule</b>	
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	21
Education Levels of Public School Staff	2	22
Number and Type of Public Schools	3	23
Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers	4	24
Public School Staff Data	5	25
Class Size Characteristics	6	26
Louisiana Educational Assessment Program (LEAP)	7	27
Graduation Exit Exam	8	28
iLEAP Test Results	9	29
<hr/>		
<b>Supplementary Information</b>		
Schedule of Board of Directors		31
<hr/>		
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b>		<b>32 - 33</b>

**Contents (Continued)**

---

<b>Schedule of Findings and Responses</b>	<b>34</b>
<hr/>	
<b>Schedule of Prior Year Findings and Responses</b>	<b>35</b>



LaPorte, APAC  
5100 Village Walk | Suite 300  
Covington, LA 70433  
985.892.5850 | Fax 985.892.5956  
LaPorte.com

## **Independent Auditor's Report**

To the Board of Directors  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of French and Montessori Education, Inc., d/b/a Audubon Charter School (the School), which comprise the statement of financial position as of June 30, 2014, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

An Independently Owned Member, McGladrey Alliance

The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters*****Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of board of directors is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Performance and Statistical Data, included as Schedules 1 through 9, is not a required part of the basic financial statements, but is supplementary information required by Louisiana State Law. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA  
November 9, 2014

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Financial Position  
June 30, 2014**

<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,531,854
Accounts Receivable	291,234
Interest Receivable	16,459
Prepaid Expenses	<u>64,458</u>
<b>Total Current Assets</b>	<u>1,904,005</u>
<b>Other Assets</b>	
Investments	<u>1,868,777</u>
<b>Fixed Assets</b>	
Computers	348,442
Improvements	15,478
Accumulated Depreciation	<u>(297,782)</u>
<b>Total Fixed Assets, Net</b>	<u>66,138</u>
<b>Total Assets</b>	<u><u>\$ 3,838,920</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 10,276
Accrued Expenses	176,908
Deferred Revenue	<u>88,656</u>
<b>Total Liabilities</b>	<u>275,840</u>
<b>Net Assets</b>	
Unrestricted	<u>3,563,080</u>
<b>Total Net Assets</b>	<u>3,563,080</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,838,920</u></u>

The accompanying notes are an integral part of these financial statements.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Activities  
For the Year Ended June 30, 2014**

	<b>Unrestricted</b>
<b>Revenue, Grants, and Other Support</b>	
State and Local Public School Funding	\$ 6,984,783
Federal Grants	442,428
Donations	408,457
Student Activity Revenue	291,637
Other State Funding	189,997
Fee Revenue	171,448
Interest Income	42,991
Other Income	35,442
Net Realized and Unrealized Gain on Investments	7,110
<b>Total Revenue, Grants, Gains, and Other Support</b>	<b>8,574,293</b>
<b>Expenses</b>	
Program Services	
Regular Education Programs	3,392,209
Special Programs	818,521
Special Education Programs	741,204
School Administration	702,487
Operations and Maintenance of Plant Services	702,277
Other Instructional Programs	371,360
Instructional Staff Services	286,549
Pupil Support Services	257,108
Food Service	28,962
Depreciation	27,680
Management and General	
Business Services	160,548
General Administration	140,362
Central Services	134,241
<b>Total Expenses</b>	<b>7,763,508</b>
Loss on Disposal of Fixed Assets	67,565
<b>Total Expenses and Losses</b>	<b>7,831,073</b>
<b>Change in Net Assets</b>	<b>743,220</b>
<b>Net Assets, Beginning of Year</b>	<b>2,819,860</b>
<b>Net Assets, End of Year</b>	<b>\$ 3,563,080</b>

The accompanying notes are an integral part of these financial statements.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Statement of Cash Flows  
For the Year Ended June 30, 2014**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 743,220
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Net Realized and Unrealized Gain on Investments	(7,110)
Depreciation	27,680
Loss on Disposal of Fixed Assets	67,565
(Increase) Decrease in:	
Accounts Receivable	99,145
Interest Receivable	970
Prepaid Expenses	62,068
Increase (Decrease) in:	
Accounts Payable	2,198
Accrued Liabilities	(196,268)
Deferred Revenue	(26,618)
<b>Total Adjustments</b>	<b>29,630</b>
<b>Net Cash Provided by Operating Activities</b>	<b>772,850</b>
<b>Cash Flows from Investing Activities</b>	
Purchase of Investments	(80,064)
Purchases of Fixed Assets	(55,208)
<b>Net Cash Used in Investing Activities</b>	<b>(135,272)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>637,578</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>894,276</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,531,854</b>

The accompanying notes are an integral part of these financial statements.



**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies**

**Organization**

French and Montessori Education, Inc. (FAME) was created as a non-profit corporation under the laws of the State of Louisiana on October 28, 2005. FAME applied to the Orleans Parish School Board (OPSB) to operate a Type 3 charter school. On January 12, 2006, the Orleans Parish School Board approved the charter of Audubon Charter School (the School). The initial charter was granted for a minimum of five years and subsequently renewed for another five year term during 2011. The School serves eligible students in pre-kindergarten through eighth grade.

The formation of the School was in response to the devastation left by Hurricane Katrina. Accordingly, the Orleans Parish School Board is allowing the School to operate in the building formerly used by the Audubon Montessori School (a school of the Orleans Parish School Board) rent free. A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Financial Statement Presentation**

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor-imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Revenues**

The School's primary source of funding is through the State Public School Fund and the Orleans Parish School Board. The School received \$6,984,783 from the State and School Board based on eligible students in attendance paid on a monthly basis. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**Cash and Cash Equivalents**

During the year, cash may consist of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who specified the use of the contribution.

Cash acquired with public funds will revert to the Louisiana Department of Education at the time the charter agreement is terminated.

The School classifies all highly liquid debt instruments with an initial maturity of three months or less as cash equivalents. For the year ended June 30, 2014, cash equivalents totaled \$-0-.

**Statement of Cash Flows**

For purposes of the statement of cash flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

**Fair Values of Financial Instruments**

The School follows the provisions of the *Fair Value Measurement* Topic of the FASB ASC. Accordingly, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The *Fair Value Measurement* Topic of the FASB ASC establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Pricing inputs are quoted prices in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fair Values of Financial Instruments (Continued)**

Investments whose values are based on quoted market prices in active markets, and are, therefore, classified as Level 1, include actively traded equities, certain mutual funds, certain U.S. government obligations, and certain money market securities.

Level 2 - Pricing inputs are other than quoted prices in active markets for identical assets, but the inputs are either directly or indirectly observable. Quoted prices are available but the assets are traded less frequently and, thus, valuation is accomplished using similar securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value (NAV) per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which is generally considered to be within 90 days.

Investments classified as Level 2 trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs. These generally include certain U.S. government and sovereign obligations, most government agency securities, investment grade corporate bonds, less liquid listed equities, state, municipal and principal obligations, and most physical commodities. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 3 - Pricing inputs are not observable in the market. Thus, valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at the NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity and real estate investments and contributions expected to be collected in future periods. When observable prices are not available for these assets, the School uses one or more valuation techniques (e.g. market approach, income approach, or cost approach) for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market, and/or other risk factors.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fair Values of Financial Instruments (Continued)**

The inputs used by the School in estimating the fair value of Level 3 investments include the original transaction price, recent transactions for the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations, and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the School in the absence of market information. The fair value measurement of Level 3 investments does not include transaction costs as an input, although those costs may have been capitalized as part of the security's cost. Due to the lack of observable inputs, assumptions used by the School may significantly impact the resulting fair value and, therefore, the amounts reported in the School's accompanying combined financial statements.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement (see Note 9).

**Investments**

In accordance with the *Not-for-Profit Entities* Topic of the FASB ASC, the School's investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statements of financial position. Unrealized and realized gains and losses are included in the change in net assets. Investments, consisting of certificates of deposit with original maturities greater than three months, are reported at original cost plus accrued interest. Dividend and interest income is accrued when earned.

**Fixed Assets and Depreciation**

Fixed assets are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Normal building maintenance and minor equipment purchases are included as expenses of the School. Depreciation expense for the year ended June 30, 2014, was \$27,680.

**Income Taxes**

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Concentrations**

The School received 81% of its revenues in the year ended June 30, 2014, from the Orleans Parish School Board, subject to its charter school contract with the School Board, and 5% of its funding from the federal government.

All of the students and employees of the School live in the Greater New Orleans area.

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be recovered. The School periodically maintains cash in bank accounts in excess of insured limits. As of June 30, 2014, the School's bank balances were \$1,529,313. Balances insured by the Federal Deposit Insurance Corporation (FDIC), which covers the total balance of accounts up to \$250,000 per financial institution, totaled \$254,280. \$1,258,665 of the remaining deposits were collateralized by securities pledged by the School's bank. The remaining deposits of \$16,368 were uninsured at June 30, 2014.

**Compensated Absences**

The Board of Directors of the School grants all contracted employees of the School a total of 10 days of sick pay per year, provided, however, that the employee is contracted for a full year. Contracted employees may carry over 4 sick days from year to year. At June 30, 2014, the School had compensated absences of \$41,113, which is reported as a component of accrued expenses on the statement of financial position.

**Reversionary Interest in Funds and Assets**

All funds received from the Louisiana Department of Education, United States Department of Education, or other state or federal agency are to be used for educational purposes as described in the School's charter agreement and grant awards. These agencies, however, have a reversionary interest in these funds, as well as any assets acquired with these funds. Should the charter agreement not be renewed, those funds and assets will transfer to the appropriate agency.

**Note 2. Cash and Cash Equivalents**

The School's cash and cash equivalents (book balances) at June 30, 2014, were \$1,531,854, which are stated at cost and approximate market.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 3. Investments**

Investments consisted of the following as of June 20, 2014:

	<b>Fair Market Value</b>	<b>Cost or Assigned Amount</b>
Long-Term Certificates of Deposit	\$ 1,025,902	\$ 1,025,902
Government Securities	504,763	505,513
Corporate Bonds	295,110	294,537
Mutual Funds	43,002	42,393
<b>Total</b>	<b>\$ 1,868,777</b>	<b>\$ 1,868,345</b>

**Note 4. Accounts Receivable**

As of June 30, 2014, accounts receivable totaled \$291,234, which is a receivable for federal and state grants passed through the Orleans Parish School Board. These receivables are considered to be fully collectible.

**Note 5. Deferred Revenue**

As of June 30, 2014, deferred revenue of \$88,656 consists of pre-K fees and consumables fees collected for the 2014-2015 school year.

**Note 6. Accrued Expenses**

Accrued expenses consisted of the following as of June 30, 2014:

Payroll - Salaries and Benefits	\$ 71,242
Outsourced Professional Services	64,553
Compensated Absences	41,113
<b>Total</b>	<b>\$ 176,908</b>

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

---

**Note 7. Retirement Plan**

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows.

**Plan Description**

The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

**Funding Policy**

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the year ended June 30, 2014, the employer contribution rate was 27.2%. The employer contribution rate for the majority of each of the years ended June 30, 2013 and 2012 was 24.5% and 23.7%, respectively. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the years ended June 30, 2014, 2013, and 2012 was \$1,152,186, \$976,362, and \$840,176, respectively, which was equal to the required contribution.

**Note 8. Uncertain Income Taxes**

The School's 2010, 2011, and 2012 tax returns were filed appropriately. As of November 9, 2014, the School had not filed its 2013 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2010 through 2012. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**Note 9. Fair Value of Financial Instruments**

The School's assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the *Fair Value Measurement* Topic of the FASB Accounting Standards Codification. See Note 1 for a description of the School's accounting policies and valuation procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA**

**Notes to Financial Statements**

**Note 9. Fair Value of Financial Instruments (Continued)**

The valuation of the School's assets measured at fair value on a recurring basis at June 30, 2014, was as follows:

	Level 1	Level 2	Level 3	Fair Value Total
Investments				
Long-Term Certificates of Deposit	\$ 1,025,902	\$ -	\$ -	\$ 1,025,902
Government Securities	-	504,763	-	504,763
Corporate Bonds	-	295,110	-	295,110
Mutual Funds	43,002	-	-	43,002
<b>Total Investments</b>	<b>\$ 1,068,904</b>	<b>\$ 799,873</b>	<b>\$ -</b>	<b>\$ 1,868,777</b>

The FASB issued a standards update pertaining to *Fair Value Measurement and Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share*. Fair values are determined by the use of calculated net asset value per ownership share.

The following disclosure is made in accordance with the requirements of the *Financial Instruments* Topic of the FASB ASC. Financial instruments are defined as cash and contractual rights and obligations that require settlement, directly or indirectly, in cash. Listed below are the carrying amounts of financial instruments which approximate fair value.

	June 30, 2014	
	Carrying Amount	Fair Value
Financial Assets		
Cash and Cash Equivalents	\$ 1,531,854	\$ 1,531,854
Program-Related Receivables	291,234	291,234
Interest Receivable	16,459	16,459
Investments	1,868,777	1,868,777
Financial Liabilities		
Accounts Payable	10,276	10,276
Accrued Expenses	176,908	176,908

**Note 10. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 9, 2014, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**SCHEDULES REQUIRED BY LOUISIANA STATE LAW  
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of French and Montessori Education, Inc., d/b/a Audubon Charter School (the School), and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings that relate to the accompanying schedules of supplemental information are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earnings on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue

**Findings:**

We observed one (1) transaction where the disbursement was coded to a General Fund (Schedule 1) account but was not for an applicable Schedule 1 expense. This transaction has been corrected on Schedule 1.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

An Independently Owned Member, McGladrey Alliance

The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

#### Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers" (Schedule 4) to the combined total number of full time classroom teachers per this schedule and to the School's supporting payroll records as of October 1<sup>st</sup>.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals and full time classroom teachers by classification as of October 1<sup>st</sup> and as reported on the schedule. We traced 25 of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

#### Findings:

None

#### Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

#### Findings:

None

#### Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals, and full time classroom teachers by classification as of October 1<sup>st</sup> and as reported on the schedule, and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

#### Findings:

None

Public School Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full time equivalents as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full time equivalents reported on the schedule.

Findings:

None

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

Findings:

None

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None

Graduation Exit Exam (Schedule 8)

11. Not applicable.

iLEAP Test Results (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

Findings:

None

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of French and Montessori Education, Inc., the Orleans Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

Covington, LA  
November 9, 2014

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedules Required by Louisiana State Law  
(R.S. 24:514 - Performance and Statistical Data)  
As of and for the Year Ended June 30, 2014**

---

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary, and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 - Experience of Public Principals, Assistant Principals and Full Time Classroom Teachers**

This schedule includes the number of years of experience in teaching for principals, assistant principals, and full time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule contains three years of data.

**Schedule 8 - Graduation Exit Exam**

Not applicable.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedules Required by Louisiana State Law  
(R.S. 24:514 - Performance and Statistical Data)  
As of and for the Year Ended June 30, 2014**

---

**Schedule 9 - iLEAP Test Results**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 in each category tested. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes three years of data.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2014**

**General Fund Instructional and Equipment Expenditures****General Fund Instructional Expenditures****Teacher and Student Interaction Activities**

Classroom Teacher Salaries	\$ 2,466,832
Other Instructional Staff Salaries	557,832
Instructional Staff Employee Benefits	1,234,848
Purchased Professional and Technical Services	1,138
Instructional Materials and Supplies	155,358
Instructional Equipment	16,751

**Total Teacher and Student Interaction Activities** **\$ 4,432,759**

Other Instructional Activities 2,341

Pupil Support Services 255,305

Less: Equipment for Pupil Support Services

**Net Pupil Support Services** **255,305**

Instructional Staff Services 223,973

Less: Equipment for Instructional Staff Services

**Net Instructional Staff Services** **223,973**

School Administration 668,177

Less: Equipment for School Administration

**Net School Administration** **668,177**

**Total General Fund Instructional Expenditures** **\$ 5,582,555**

**Total General Fund Equipment Expenditures** **\$ 16,751**

**Certain Local Revenue Sources****Local Taxation Revenue**

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes	-
Other than School Taxes	-
Sales and Use Taxes	-

**Total Local Taxation Revenue** **\$ -**

**Local Earnings on Investment in Real Property**

Earnings from 16 <sup>th</sup> Section Property	\$ -
Earnings from Other Real Property	-

**Total Local Earnings on Investment in Real Property** **\$ -**

**State Revenue in Lieu of Taxes**

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-

**Total State Revenue in Lieu of Taxes** **\$ -**

Nonpublic Textbook Revenue **\$ -**

Nonpublic Transportation Revenue **\$ -**

See independent accountant's report on applying agreed-upon procedures.



**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Education Levels of Public School Staff  
As of October 1, 2013**

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	44	80%	3	75%				
Master's Degree	9	16%	1	25%	3	75%		
Master's Degree +30	1	2%			1	25%		
Specialist in Education								
Ph. D. or Ed. D.	1	2%						
<b>Total</b>	<b>55</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>4</b>	<b>100%</b>		

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**NEW ORLEANS, LOUISIANA**  
**Number and Type of Public Schools**  
**For the Year Ended June 30, 2014**

<b>Type</b>	<b>Number</b>
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
<b>Total</b>	<b>1</b>

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Experience of Public Principals, Assistant Principals  
and Full Time Classroom Teachers  
As of October 1, 2013**

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Assistant Principals	1		2					3
Principals							1	1
Classroom Teachers	16	10	16	2	2	8	5	59
<b>Total</b>	<b>17</b>	<b>10</b>	<b>18</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>6</b>	<b>63</b>

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Public School Staff Data  
For the Year Ended June 30, 2014**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers Salary Including Extra Compensation</b>	<b>\$47,710</b>	<b>\$47,485</b>
<b>Average Classroom Teachers Salary Excluding Extra Compensation</b>	<b>\$47,678</b>	<b>\$47,485</b>
<b>Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries</b>	<b>57.55</b>	<b>56.55</b>

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**NEW ORLEANS, LOUISIANA**  
**Class Size Characteristics**  
**As of October 1, 2013**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	38%	14	54%	20	8%	3		
Elementary Activity Classes								

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**NEW ORLEANS, LOUISIANA**  
**Louisiana Educational Assessment Program (LEAP)**  
**For the Year Ended June 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>																								
Advanced	10	10%	17	19%	7	9%	29	29%	19	21%	8	11%	10	10%	11	12%	14	19%	8	8%	9	10%	10	14%
Mastery	43	42%	27	30%	30	42%	29	29%	22	25%	19	26%	23	23%	25	28%	21	29%	25	25%	28	31%	15	21%
Basic	39	39%	39	45%	30	42%	34	33%	34	39%	35	49%	52	51%	39	44%	30	42%	57	56%	40	46%	41	57%
Approaching Basic	6	6%	3	3%	5	7%	4	4%	12	13%	8	11%	12	12%	9	10%	7	10%	9	9%	8	9%	5	7%
Unsatisfactory	3	3%	3	3%	0	0%	5	5%	2	2%	2	3%	4	4%	5	6%	0	0%	2	2%	4	4%	1	1%
<b>Total</b>	<b>101</b>	<b>100%</b>	<b>89</b>	<b>100%</b>	<b>72</b>	<b>100%</b>	<b>101</b>	<b>100%</b>	<b>89</b>	<b>100%</b>	<b>72</b>	<b>100%</b>	<b>101</b>	<b>100%</b>	<b>89</b>	<b>100%</b>	<b>72</b>	<b>100%</b>	<b>101</b>	<b>100%</b>	<b>89</b>	<b>100%</b>	<b>72</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>																								
Advanced	4	8%	7	12%	7	11%	12	23%	7	12%	11	18%	2	3%	6	10%	9	15%	1	2%	8	14%	11	19%
Mastery	22	42%	22	37%	27	44%	9	17%	10	17%	4	6%	11	21%	17	29%	24	41%	26	50%	21	35%	25	42%
Basic	25	48%	26	44%	23	37%	25	48%	38	64%	38	62%	31	60%	31	52%	22	37%	22	42%	28	47%	21	36%
Approaching Basic	0	0%	3	5%	5	8%	6	10%	4	7%	7	11%	6	12%	4	7%	4	7%	3	6%	1	2%	2	3%
Unsatisfactory	1	2%	1	2%	0	0%	1	2%	0	0%	2	3%	2	4%	1	2%	0	0%	0	0%	1	2%	0	0%
<b>Total</b>	<b>52</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	<b>62</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>59</b>	<b>100%</b>	<b>59</b>	<b>100%</b>

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Graduation Exit Exam  
For the Year Ended June 30, 2014**

---

The School does not have grades 10 or 11; therefore, this schedule does not apply.

See independent accountant's report on applying agreed-upon procedures.

**FRENCH AND MONTESSORI EDUCATION, INC.**  
**D/B/A AUDUBON CHARTER SCHOOL**  
**NEW ORLEANS, LOUISIANA**  
**iLEAP Test Results**  
**For the Year Ended June 30, 2014**

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 3																								
Advanced	10	14%	8	8%	3	3%	12	17%	17	18%	16	18%	11	15%	9	10%	16	18%	4	6%	10	11%	1	1%
Mastery	23	32%	22	24%	35	40%	19	27%	16	17%	25	28%	18	23%	24	25%	23	26%	18	26%	18	19%	31	35%
Basic	36	50%	53	56%	36	41%	25	35%	47	49%	32	36%	28	40%	44	46%	38	44%	43	60%	51	53%	42	48%
Approaching Basic	1	1%	8	8%	12	13%	11	15%	9	10%	13	15%	13	18%	16	17%	10	11%	4	6%	12	13%	11	13%
Unsatisfactory	2	3%	4	4%	3	3%	4	6%	6	6%	3	3%	3	4%	2	2%	1	1%	2	3%	4	4%	3	3%
Total	71	100%	95	100%	89	100%	71	100%	95	100%	89	100%	71	100%	95	100%	88	100%	71	100%	95	100%	88	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 5																								
Advanced	15	19%	13	19%	7	11%	10	13%	8	12%	8	13%	7	9%	10	15%	3	5%	13	17%	13	19%	6	9%
Mastery	30	39%	19	28%	19	30%	15	19%	17	25%	18	28%	19	25%	16	24%	21	33%	14	18%	12	18%	19	30%
Basic	28	34%	29	43%	32	50%	39	52%	33	49%	29	45%	36	47%	36	52%	27	42%	43	56%	37	54%	29	45%
Approaching Basic	4	5%	6	9%	6	9%	8	10%	7	10%	7	11%	15	19%	6	9%	13	20%	7	9%	4	6%	6	9%
Unsatisfactory	2	3%	1	1%	0	0%	5	6%	3	4%	2	3%	0	0%	0	0%	0	0%	0	0%	2	3%	4	7%
Total	77	100%	68	100%	64	100%	77	100%	68	100%	64	100%	77	100%	68	100%	64	100%	77	100%	68	100%	64	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 6																								
Advanced	8	12%	8	11%	7	9%	15	22%	13	19%	11	14%	7	10%	11	16%	3	4%	20	30%	20	29%	16	20%
Mastery	27	40%	26	37%	24	30%	18	27%	19	27%	24	30%	16	22%	22	31%	17	22%	23	34%	16	23%	20	25%
Basic	30	46%	33	48%	40	51%	32	48%	35	50%	36	45%	43	65%	31	45%	51	64%	24	36%	27	38%	35	45%
Approaching Basic	1	1%	3	4%	8	10%	2	3%	3	4%	6	8%	2	3%	5	7%	7	9%	0	0%	6	9%	7	9%
Unsatisfactory	1	1%	0	0%	0	0%	0	0%	0	0%	2	3%	0	0%	1	1%	1	1%	0	0%	1	1%	1	1%
Total	67	100%	70	100%	79	100%	67	100%	70	100%	79	100%	67	100%	70	100%	79	100%	67	100%	70	100%	79	100%

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2014		2013		2012		2014		2013		2012		2014		2013		2012		2014		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
Students																								
Grade 7																								
Advanced	18	24%	15	21%	10	15%	17	25%	5	7%	25	37%	7	10%	5	7%	8	12%	21	31%	5	7%	4	6%
Mastery	22	32%	23	33%	27	41%	15	22%	23	33%	18	27%	29	43%	19	27%	26	39%	22	32%	18	26%	26	39%
Basic	30	44%	28	40%	26	39%	34	50%	38	54%	22	34%	27	40%	37	53%	25	38%	25	37%	40	57%	33	50%
Approaching Basic	0	0%	4	6%	3	4%	2	3%	2	3%	1	1%	5	7%	7	10%	7	11%	0	0%	6	9%	2	3%
Unsatisfactory	0	0%	0	0%	1	1%	0	0%	2	3%	1	1%	0	0%	2	3%	0	0%	0	0%	1	1%	1	2%
Total	68	100%	70	100%	67	100%	68	100%	70	100%	67	100%	68	100%	70	100%	66	100%	68	100%	70	100%	66	100%

See independent accountant's report on applying agreed-upon procedures.



## **SUPPLEMENTARY INFORMATION**

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Board of Directors  
For the Year Ended June 30, 2014**

<b>Board Members</b>	<b>Compensation</b>	<b>Board Members</b>	<b>Compensation</b>
Rev. Cornelius Tilton (Chairman) 819 First Street New Orleans, LA 70130	\$-0-	Adam Fontana 4065 Dement Street New Orleans, LA 70126	\$-0-
Derek D. Bardell (Vice-Chair) P.O. Box 850322 New Orleans, LA 70185	\$-0-	Jolynn King 6319 Louisville Street New Orleans, LA 70124	\$-0-
Eva Alito 800 Solomon Place New Orleans, LA 70119	\$-0-	Robert Sloan 1320 Second Street New Orleans, LA 70130	\$-0-
Jean-Claude Brunet 2406 Prytania Street New Orleans, LA 70115	\$-0-	Jacqueline Smith 1107 S. Peters Street New Orleans, LA 70130	\$-0-
Dénise Carpenter 240 Riverdale Drive Jefferson, LA 70121	\$-0-	Greg Thompson 1722 Short Street New Orleans, LA 70130	\$-0-



LaPorte, APAC  
5100 Village Walk | Suite 300  
Covington, LA 70433  
985.892.5850 | Fax 985.892.5956  
LaPorte.com

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report**

To the Board of Directors  
French and Montessori Education, Inc.  
d/b/a Audubon Charter School  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of French and Montessori Education, Inc., d/b/a Audubon Charter School (the School), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 9, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

NEW ORLEANS HOUSTON BATON ROUGE COVINGTON

An Independently Owned Member, McGladrey Alliance

The McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy and independence and are responsible for their own client fee arrangements, delivery of services and maintenance of client relationships.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

Covington, LA  
November 9, 2014

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Findings and Responses  
For the Year Ended June 30, 2014**

---

**Section I. Summary of Audit Results**

**Financial Statement Section**

- |   |            |
|---|------------|
| 1. Type of auditor's report   | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters   |            |
| a. Material weaknesses identified   | None       |
| b. Significant deficiencies identified not considered to be material weaknesses | None       |
| c. Noncompliance noted  | None       |

**Section II. Internal Control Over Financial Reporting**

None.

**Section III. Compliance and Other Matters**

None.

**FRENCH AND MONTESSORI EDUCATION, INC.  
D/B/A AUDUBON CHARTER SCHOOL  
NEW ORLEANS, LOUISIANA  
Schedule of Prior Year Findings and Responses  
For the Year Ended June 30, 2014**

---

**Section II. Internal Control Over Financial Reporting**

None.

**Section III. Compliance and Other Matters**

None.